

Findlay-Tifton, OH	B-143	147,523	\$2.64	\$	390,000
Lufkin-Nacogdoches, TX	B-265	144,081	\$2.40	\$	345,118
Myrtle Beach, SC	B-312	144,053	\$6.11	\$	880,000
Salina, KS	B-396	143,408	\$1.79	\$	256,652
Eureka, CA	B-134	142,578	\$2.13	\$	303,102
Steubenville, OH-Wiarton, WV	B-431	142,523	\$1.31	\$	187,098
Grand Island-Kearney, NE	B-167	141,541	\$4.08	\$	578,000
Jefferson City, MO	B-217	141,404	\$2.98	\$	421,000
Pittsfield, MA	B-351	139,352	\$4.89	\$	681,000
Missoula, MT	B-300	139,270	\$1.62	\$	226,000
Valdosta, GA	B-454	139,226	\$1.88	\$	262,000
Columbus, IN	B-093	139,128	\$2.47	\$	343,280
Winchester, VA	B-479	137,549	\$1.43	\$	197,100
Burlington, IA	B-061	137,543	\$1.28	\$	176,000
Twin Falls, ID	B-451	136,831	\$1.61	\$	220,870
Casper-Gillette, WY	B-069	135,172	\$2.80	\$	378,000
Sandusky, OH	B-403	133,019	\$1.92	\$	255,000
Guam	B-490	133,000	\$5.66	\$	753,290
Greeley, CO	B-172	131,821	\$3.12	\$	411,110
Fort Dodge, IA	B-150	131,731	\$1.29	\$	170,100
Decatur, AL	B-108	131,556	\$3.41	\$	449,000
Harrisonburg, VA	B-183	128,910	\$1.66	\$	214,100
Corbin, Ky	B-098	128,186	\$1.61	\$	206,300
Bellinghame, WA	B-036	127,780	\$3.69	\$	472,000
Kankakee, IL	B-225	127,042	\$1.50	\$	190,000
Hutchinson, KS	B-200	125,094	\$1.33	\$	166,100
Fredericksburg, VA	B-156	124,654	\$1.76	\$	218,800
Du Bois-Clearfield, PA	B-117	124,780	\$1.29	\$	160,000
Opelika-Auburn, AL	B-334	124,022	\$3.63	\$	450,100
Athens, OH	B-023	123,864	\$1.80	\$	223,000
State College, PA	B-429	123,786	\$1.82	\$	225,000
Wilmar-Marshall, MN	B-477	123,749	\$1.61	\$	199,200
Bismarck, ND	B-045	123,682	\$1.52	\$	187,600
Plattsburg, NY	B-352	123,121	\$1.87	\$	230,000
Ottumwa, IA	B-337	122,988	\$1.28	\$	157,100
Manhattan-Junction City, KS	B-275	122,878	\$4.48	\$	550,000
Minot, ND	B-298	122,687	\$1.21	\$	149,100
Yuba City-Marysville, CA	B-485	122,643	\$2.41	\$	295,000
Gallup, NM	B-162	122,277	\$4.15	\$	507,000
Middlesboro-Harlan, KY	B-295	121,217	\$1.34	\$	162,000
Sharon, PA	B-416	121,003	\$1.30	\$	157,000
Hilo, HI	B-190	120,317	\$7.07	\$	850,000
Fergus Falls, MN	B-142	120,167	\$1.62	\$	194,000
Mount Vernon-Centralia, IL	B-308	119,286	\$2.03	\$	242,000
Mason City, IA	B-285	118,834	\$1.58	\$	187,000
Mount Pleasant, MI	B-307	118,558	\$2.34	\$	277,000
Glen Falls, NY	B-164	118,539	\$2.51	\$	297,000
Cookeville, TN	B-096	117,613	\$4.52	\$	532,000
Hot Springs, AR	B-193	117,439	\$1.51	\$	177,000
Iowa City, IA	B-205	115,731	\$3.40	\$	394,000
Rome, GA	B-384	115,066	\$1.98	\$	227,000

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Orangeburg, SC	B-335	114,458	\$2.67	\$	306,000
Danville, IL	B-103	114,241	\$3.31	\$	378,495
Dyersburg-Union City, TN	B-120	113,943	\$1.21	\$	138,100
Norfolk, NE	B-323	112,526	\$3.63	\$	408,000
Keene, NH	B-227	111,709	\$1.61	\$	180,153
Midland, TX	B-298	111,567	\$3.30	\$	368,000
Somerset, KY	B-423	111,487	\$1.61	\$	179,494
Lewiston-Moscow, ID	B-250	110,028	\$1.32	\$	145,008
El Centro-Calexico, CA	B-124	109,303	\$4.57	\$	500,000
Marion, IN	B-280	109,238	\$6.16	\$	672,895
El Dorado-Magnolia-Camden, AR	B-125	108,810	\$1.21	\$	132,100
East Liverpool-Salem, OH	B-122	108,276	\$1.30	\$	141,000
Burlington, NC	B-062	108,213	\$4.07	\$	440,200
Oneonta, NY	B-333	107,742	\$1.60	\$	172,000
Prescott, AZ	B-362	107,714	\$5.64	\$	607,000
McComb-Brookhaven, MS	B-269	107,298	\$3.10	\$	333,017
Michigan City-La Porte, IN	B-294	107,066	\$2.80	\$	300,282
Yuma, AZ	B-486	106,895	\$3.25	\$	347,022
Oil City-Franklin, PA	B-328	105,882	\$1.30	\$	138,001
Richmond, IN	B-373	104,942	\$1.86	\$	195,282
Morgantown, WV	B-306	104,546	\$1.30	\$	136,001
Cheyenne, WY	B-077	103,939	\$3.82	\$	396,946
Sheboygan, WI	B-417	103,877	\$3.40	\$	353,000
Bend, OR	B-038	102,745	\$2.89	\$	297,000
U.S. Virgin Islands	B-491	102,000	\$28.39	\$	2,895,795
Scottsbluff, NE	B-411	101,954	\$3.63	\$	369,600
Eagle Pass-Del Rio, TX	B-121	100,813	\$2.96	\$	298,000
Kahului-Wailuku-Lahanaina, HI	B-222	100,504	\$11.85	\$	1,190,675
Staunton-Waynesboro, VA	B-430	100,322	\$4.58	\$	459,105
Ashtabula, OH	B-021	99,821	\$1.30	\$	130,001
Waycross, GA	B-467	99,034	\$1.83	\$	181,500
Dalton, GA	B-102	98,609	\$1.98	\$	195,250
Rolla, MO	B-383	98,233	\$3.00	\$	295,000
Rutland-Bennington, VT	B-388	97,987	\$1.24	\$	121,100
Sierra Vista-Douglass, AZ	B-420	97,624	\$3.07	\$	300,000
Worthington, MN	B-481	96,602	\$1.61	\$	155,160
Flagstaff, AZ	B-144	96,591	\$7.26	\$	700,999
New Castle, PA	B-317	96,246	\$1.60	\$	154,000
Stroudsburg, PA	B-435	95,709	\$2.61	\$	250,011
Hammond, LA	B-180	95,583	\$3.82	\$	365,000
Roseburg, OR	B-385	94,649	\$1.30	\$	123,102
Ithaca, NY	B-208	94,097	\$3.36	\$	316,200
Vincennes-Washington, IN	B-457	93,758	\$1.88	\$	176,282
Chillicothe, OH	B-080	93,579	\$2.75	\$	257,342
Portsmouth, OH	B-359	93,356	\$1.80	\$	168,000
Fairbanks, AK	B-138	92,111	\$1.33	\$	122,500
Marion, OH	B-281	92,023	\$1.61	\$	148,000
Adrian, MI	B-005	91,476	\$1.97	\$	180,280
Pittsburg-Parsons, KS	B-349	90,934	\$1.70	\$	154,600
Martinsville, VA	B-284	90,577	\$1.61	\$	146,100
Fond du Lac, MN	B-148	90,083	\$3.93	\$	354,000

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	B-203	89,994	\$1.32	\$	119,100
Pocatello, ID	B-353	89,651	\$1.61	\$	144,000
Paris, TX	B-341	89,422	\$1.63	\$	146,111
Aberdeen, SD	B-001	88,891	\$1.53	\$	136,001
Cleveland, TN	B-085	87,355	\$1.40	\$	122,004
Preque Isle, ME	B-363	86,936	\$1.52	\$	132,101
Meadville, PA	B-287	86,169	\$1.30	\$	112,001
Enid, OK	B-130	85,998	\$1.66	\$	143,101
Petoskey, MI	B-345	85,863	\$5.01	\$	430,171
Longview, WA	B-281	85,446	\$3.30	\$	282,001
Mitchell, SD	B-301	84,095	\$1.74	\$	146,181
Ardmore, OK	B-019	83,979	\$2.26	\$	190,001
St. George, UT	B-392	83,263	\$4.87	\$	405,101
Aberdeen, WA	B-002	83,057	\$1.30	\$	108,011
Russellville, AR	B-387	81,863	\$1.53	\$	125,001
Lawrence, KS	B-247	81,798	\$4.00	\$	327,111
Manitowoc, WI	B-276	80,421	\$3.78	\$	304,001
North Platte, NE	B-325	80,249	\$4.51	\$	361,511
Marquette, MI	B-282	79,859	\$1.75	\$	139,711
Sedalia, MO	B-414	79,705	\$1.92	\$	153,011
Coos Bay-North Bend, OR	B-097	79,600	\$1.62	\$	129,111
Blytheville, AR	B-049	79,446	\$1.31	\$	104,111
Logan, UT	B-258	79,415	\$1.32	\$	105,111
Laurel, MS	B-246	79,145	\$3.17	\$	251,011
Brainerd, ND	B-054	78,465	\$2.00	\$	156,911
Port Angeles, WA	B-356	76,610	\$2.31	\$	177,011
Roanoke Rapids, NC	B-377	76,314	\$2.86	\$	218,111
Galesburg, IL	B-161	75,574	\$2.11	\$	159,111
Klamath Falls, OR	B-231	74,566	\$1.95	\$	145,111
Watertown, SD	B-464	74,555	\$1.98	\$	147,111
Harrison, AR	B-182	74,459	\$1.37	\$	102,111
Selma, AL	B-415	74,457	\$2.17	\$	161,111
Natchez, MS	B-315	73,214	\$2.32	\$	170,111
Hastings, NE	B-185	72,833	\$2.41	\$	175,111
Stillwater, OK	B-433	72,552	\$2.58	\$	187,111
Brunswick, GA	B-058	71,130	\$3.78	\$	269,111
Clovis, NM	B-087	71,024	\$3.70	\$	263,111
Jacksonville, IL	B-213	70,795	\$1.50	\$	106,111
Roswell, NM	B-386	70,068	\$4.07	\$	285,111
Juneau-Ketchikan, AK	B-221	68,989	\$1.62	\$	111,111
Greenwood, SC	B-178	68,435	\$2.00	\$	136,111
West Plains, MO	B-470	67,165	\$1.61	\$	108,111
Marinette, WI-Menominee, MI	B-279	65,468	\$1.41	\$	92,111
Butte, MT	B-064	65,252	\$1.86	\$	121,111
Bozeman, MT	B-053	65,077	\$2.52	\$	163,111
Garden City, KS	B-163	65,059	\$2.13	\$	131,111
La Grange, GA	B-237	64,164	\$2.87	\$	181,111
Coffeyville, KS	B-088	63,504	\$3.65	\$	231,111
Alpena, MI	B-011	63,429	\$1.38	\$	8,111
Mattoon, IL	B-286	62,314	\$1.62	\$	10,111
Hays, KS	B-187	60,926	\$1.23	\$	7,111



1/24/96

~~San Mateo Group, Inc.~~ Page 1

Declaration of Cynthia L. Hamilton:

I declare that I was an employee of San Mateo Group, Inc. up until this morning. San Mateo Group, Inc. is the bidding agent for ~~PCS~~ Unicom Corporation which is the general partner for PCS 2000, L.P. The president & CEO of San Mateo Group, Inc. is Anthony T. Easton (Terry) who is also an officer & director of Unicom, & I believe, PCS 2000.

All of PCS 2000's bids in the C-block auction have been conducted from the San Mateo Group, Inc. offices at 3 Waters Park Drive, Suite 231, San Mateo, CA 94403. The bids are submitted from my work station, with me doing the actual bidding at the direction of Mr. Easton.

~~On Tuesday~~

Our normal procedure was for Mr. Easton and/or Quentin Breen, who is also an officer and director of the above companies, to prepare a bid on our computer system which I would upload into the FCC bidding system. I would receive a signed (actually initialed) printout of the bids in the database to check against what was uploaded prior to submitting the bid. I always printed a copy from the FCC of our bid prior to exiting the system after submitting.

1/24/96

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the bid printout, along with the signed copies of the printouts from our database are put in a binder that I keep at my desk.

On Tuesday, January 23, 1996, I arrived at work at 8:30 AM. The locks had been changed and I was unable to get in, so I phoned Terry at his home. He arrived at about 9:00 and said that he had to prepare the bid. He was extremely rushed as we only had one hour left to bid. At about 9:30 he told me the database was ready to upload. I uploaded the file into the FCC bid submission program and told Terry to print & sign the database copies before I submitted. I reviewed the upload information against his signed printout and found it to be identical. ~~It~~

He then decided to withdraw 3 markets to get the POP's down closer to the minimum requirement. He had me withdraw the three markets, & print a new copy. He altered the database and printed new copies, which he also signed. He threw the previous copies for the day into my garbage can.

After the bid results were posted, I downloaded the results files to our computer and created what we call "Flash Reports". These reports

1/24/96

Page 3

allow Terry to once again review our bid, and withdraw if necessary. I placed the reports in their proper bin while Terry watched, but as far as I know, he didn't look at them.

After the final ~~reports~~^{results} were posted, I downloaded the results and created more flash reports. As these were being printed, our vice-president, Ronit Milstein started viewing them and noticed that we had bid \$110.00 / POP on Norfolk, VA. We went back to my books to verify that we had actually inserted that bid. Then Terry was called over.

Terry accused me of allowing the error to go through. Then he phoned the FCC Hotline (202-241-1250) and I heard him state that the FCC computer had created the error. I then left the area.

Later I saw our temp, Scot, faxing similar signed papers to someone. I glanced through the papers and saw that Norfolk no longer showed \$110/POP. I went to look for my binder with the original papers in it. The binder was gone.

Later, I remembered the signed papers that Terry had thrown away. I retrieved those papers and hid them. Terry later went searching through my trash can and all of the

1/24/96

page 4

papers on my desk and asked me where the papers were.

I believe that Terry altered the database to erase his error, and attempted to destroy all evidence of his mistake. I am faxing a copy of the only remaining copies along with this declaration. I also believe that Terry has written a letter stating facts supporting his contention that the FCC made a mistake, and that you will probably receive such a letter today. I saw a portion of that letter in his hand.

~~By~~ I declare that the above facts are true, under penalty of perjury. I am willing to testify to these facts.

Sincerely,

Cynthia L. Hamilton
Cynthia L. Hamilton

C

[Handwritten signature]

Your branch office

tax cover sheet

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Date 11/24/96

Number of pages 2 (including cover page)

to: Name Ronit Milstein

from: Name Cynthia L. Hamil

Company Sac Mateo Group

Company _____

Telephone 415- 574- 4747

Telephone _____

Fax 415- 349- 8150

Comments



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1/24/96

To Whom It May Concern:

As of today, 1/24/96, I find that I am no longer able to work at San Mateo Group, Inc. I will send someone to pick up my final paycheck, along with my keyboard, foot rest and cassette tapes on Friday, Jan 26.

Cynthia L. Hamilton

Cynthia d'Leus

6. PLP. 12.0

WILKINSON, BARKER, KNAUER & QUINN
1735 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20006-5280

TELEPHONE
(202) 783-4141

FAX
(202) 833-2380
(202) 783-8851

FAX TRANSMISSION COVER SHEET

DATE: January 25, 1996 CODE: 558

TO: Javier Lamoso, Fred Martinez, FAX NO.: 1-415-349-8150
Terry Easton, & Quentin Breen

FROM: Mike Sullivan

RE: Draft of waiver request and *declassification* affidavits. Larry is also attaching a draft press release. We need to file early Friday to get this to the press and FCC in a timely fashion.

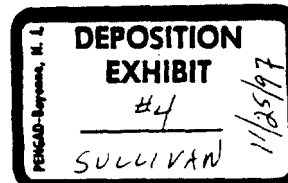
NUMBER OF PAGES: ____ INCLUDING THIS COVER SHEET.
PLEASE DELIVER TO ADDRESSEE IMMEDIATELY.
THIS FAX WAS SENT BY: ____

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1	T EASTON/Q BREE	1-25-96 7:41PM	5'11"	7/ 8		COMMUNICATION ERROR E20 9600 051
2	T EASTON/Q BREE	7:50PM	0'33"	1/ 8		COMPLETED END OF RESEND 14400

TOTAL 0:05'44" 8

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MB : SEND TO MAILBOX PG : POLLING A REMOTE MP : MULTI-POLLING RM : RECEIVE TO MEMORY

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FAX
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(202) 783-5851

FAX TRANSMISSION COVER SHEET

DATE: January 25, 1996

CODE: 558

TO: Javier Lamoso, Fred Martinez, FAX NO.: 1-415-349-8150
Terry Easton, & Quentin Breen

FROM: Mike Sullivan

RE: *declarations*
Draft of waiver request and ~~affidavits~~. Larry is also attaching
a draft press release. We need to file early Friday to get
this to the press and FCC in a timely fashion.

NUMBER OF PAGES: ___, INCLUDING THIS COVER SHEET.

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WILKINSON, BARKER, KNAUER & QUINN

LAW OFFICES

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GERMAN OFFICE

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60313 FRANKFURT A.M., GERMANY

011-49-69-20876

011-49-69-297-8453 (TELECOPIER)

January 26, 1996

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: PCS 2000, L.P.
Block C PCS Auction
Request for Expedited Waiver or Reduction of Withdrawal Penalty

Attention: Kathleen Ham
Chief, Auction Division
Wireless Telecommunications Bureau

Dear Mr. Caton:

On January 23, 1995, PCS 2000, L.P. ("PCS 2000") erroneously submitted a bid in the Block C PCS auction for Market B324 for a price ten times as high as it intended. It informed the Commission immediately upon discovering the error and withdrew the bid the next day. PCS 2000 now asks the Commission to waive its withdrawal penalty rule. Imposing a penalty *potentially as large as \$162 million* on PCS 2000, a small business owned and controlled by women and minorities, for an *innocent error* will both destroy the company's ability to continue its aggressive participation in the auction and chill the willingness of other small businesses and entrepreneurs to bid.

Accordingly, PCS 2000 requests, pursuant to Section 24.819(a)(1) of the Rules, a waiver of the bid withdrawal penalty imposed by Section 24.704(a)(1) of the Rules for PCS 2000's withdrawal of its erroneous high bid of \$180,060,000 for the Block C license in Market B324 in Round 11. In the alternative, PCS 2000 requests that the penalty be very substantially reduced. PCS 2000 respectfully requests that action be expedited so that a resolution is achieved while the auction is ongoing. Delaying action until after the close of the auction would adversely affect the outcome of the auction.

Background

In Round 11 of the Block C PCS auction, PCS 2000 entered bids for a number of markets, including Market B324. For each of these selected markets, PCS 2000 intended to, and believed at the time that it did, enter the minimum bid increment. For Market B324, the minimum bid increment would have resulted in a bid of \$18,006,000.00. Due to an error, the bid for this market was recorded by the Commission as \$180,060,000.00, exactly ten times as large as the intended bid. PCS 2000 discovered the error about two hours after the close of the bidding for Round 11, when it downloaded the round results from the FCC's internet FTP server. PCS 2000 immediately telephoned the FCC's auction contractor to indicate that it had intended to bid \$18,006,000.00 and to report that the \$180,060,000 bid was in error. Undersigned counsel also contacted officials of the Auction Division to inform them of the error. The Commission verified that the bid had been posted as received, and PCS 2000 withdrew the erroneous high bid of \$180,060,000.00 on January 24, 1996.

PCS 2000 has conducted a preliminary investigation of the error, but the precise cause of the erroneous bid remains unknown. The error appears to have occurred in PCS 2000's bid preparation and submission process and was likely caused by some combination of a departure from previously established internal procedures, human error, and the inability to conduct a complete cross-check of the submitted bids against other data prior to the conclusion of the bidding period because of a lack of time. In addition, discovery of the error was delayed because the FCC's confirmation of the bid was not received due to a printer malfunction. PCS 2000 is undertaking measures to ensure that there is no recurrence of these conditions.

PCS 2000 notes that some press reports have erroneously claimed that PCS 2000 attributes the error to the Commission. Because the results reported by the FCC did not reflect the bid that PCS 2000 believed it had submitted, the company contacted the FCC to determine whether an error had occurred in reporting the results. The FCC confirmed that it reported the results that had been submitted, and PCS 2000 has now concluded, as discussed above, that the error occurred in its own bid preparation and submission process and was *not* attributable to the Commission.

Discussion

PCS 2000 submits that the public interest would be served by grant of a waiver (or, in the alternative, a substantial reduction in the penalty) in the unique circumstances of the instant case, that strict application of the prescribed penalty for withdrawing a bid would disserve the public interest, and that the purpose of the rule would not be undermined by a waiver. Prompt resolution of this is essential, because the lack of a decision will severely limit the ability of PCS 2000 to continue its active and aggressive participation in the auction and could adversely affect the willingness of other bidders to participate.

Waiver of the penalty rule under these circumstances would not establish a precedent that would create any opportunity for mischief in the future. The bid submitted in error by PCS 2000

was clearly in error and not an attempt to manipulate the bidding. The \$180,060,000.00 bid represented a per-pop price of \$110, which is vastly in excess of the likely value of this license. Indeed, the erroneous bid exceeded the previous high bid by 900%, at a time when PCS 2000 (and many other bidders) were making only the minimum bids necessary. All of PCS 2000's bids in Round 11, except the erroneous bid for Market B234, were the minimum permissible bid, and the erroneous bid was exactly ten times the minimum permissible bid of \$18,006,000.00. It is obvious that an extra zero was somehow accidentally added to the end of the bid amount. No reasonable bidder would have knowingly bid such a price for this license.

PCS 2000 promptly took steps to notify the Commission that an error appeared to have occurred. As Mr. Easton indicates in his declaration, immediately upon discovering that the FCC had recorded the bid as being \$180,060,000.00, he informed Mr. Louis Segalos, an official with the Commission's auction contractor, that an error had occurred. He supplied Mr. Segalos with copies of spreadsheet printouts indicating the bids that PCS 2000 believed it had submitted. Shortly thereafter, counsel informed the Auctions Division staff of the error. The erroneous bid was then withdrawn on January 24, 1996.

None of the participants in the C Block auction would be able to pay a penalty of this magnitude. It would vastly exceed the \$50 million upfront payment posted by PCS 2000 (and indeed would exceed any Block C bidder's upfront payment) and would, if not waived, render the company unable to acquire any licenses. Other bidders in the auction would be similarly affected by a penalty were they to make a similar mistake. Prompt action on this matter is needed to avoid chilling participation in the auction.

It is important to recognize that if PCS 2000 is subjected to this unduly burdensome penalty, its bidding capacity will be drastically reduced, if not eliminated. As a result, less money will be involved in the auction and licenses may well be undervalued. This would lead to spectrum being assigned on a less than optimal economic basis, instead of being assigned to those valuing most highly. A prompt waiver of the rule would ensure the integrity of the auction process as a whole and minimize any disruption to this process.

PCS 2000 regrets that the error occurred. Nevertheless, no party has suffered any harm as a result of the erroneous bid or its withdrawal. The error occurred relatively early in the auction and the bid was promptly withdrawn. As a result, any party wishing to bid for the market involved is able to do so.

Accordingly, PCS 2000 submits that waiver of the rule is warranted in the public interest and should be granted without delay.

Sincerely,

Wilkinson, Barker, Knauer & Quinn

By: Michael Deuel Sullivan

Counsel for PCS 2000, L.P.

cc: Kathleen O'Brian Ham
Gerald P. Vaughan

Declaration of Javier Lamoso

I, Javier Lamoso, am the President of Unicom Corporation, the general partner in PCS 2000, L.P. I have read the foregoing "Request for Expedited Waiver or Reduction of Withdrawal Penalty" and declare under penalty of perjury that the statements therein are true and correct, on information and belief.

Executed: January 26, 1996

Declaration of Anthony T. Easton

I, Anthony T. Easton, am the Chief Executive Officer of Unicom Corporation, the general partner in PCS 2000, L.P.

I have read the foregoing "Request for Expedited Waiver or Reduction of Withdrawal Penalty" and the statements therein are true and correct to the best of my knowledge.

I supervised the preparation and submission of PCS 2000's bids for Round 11 of the C Block PCS auction, in which a bid was erroneously submitted for Market B324 in the amount of \$180,060,000 instead of the minimum bid of \$18,006,000. While PCS 2000 has been unable to determine the precise manner in which the error occurred, there are a number of ways in which the error could have occurred, in light of a departure, during Round 11, from the internal bidding procedures normally followed. The error is likely to have been the result of human error in entering data into the spreadsheet program PCS 2000 uses to prepare its bids. Normally, any such error would have been discovered and corrected during multiple cross-checking processes. Unfortunately, during Round 11 these cross-checking processes were not followed fully, because it became necessary to manually change certain bids on-line shortly before the close of the bidding round in order to comply with bidding eligibility and activity rules. As a result, there was not sufficient time to recheck the details of every bid. In addition, the printer that normally prints the FCC confirmation of bids received was not functioning, as a result of which PCS 2000 did not receive any confirmation that would have alerted the company to the error.

I declare under penalty of perjury that the foregoing is true and correct, based on personal knowledge and on information and belief.

Executed: January 26, 1996

PRESS RELEASE

PCS 2000 announced today that it has filed a request for waiver of any withdrawal penalty associated with its erroneous bid of \$180,060,000 for the Norfolk BTA.

“It is quite clear from our bidding patterns and the bid itself that our intention was to bid the minimum required, \$18,006,000, but that an extra zero was added to the bid. While we have not been able to identify the source of the error,” Mr. Lamoso said, “It is clear that a mistake was made.”

Mr. Lamoso went on to state the company’s hope and expectation that the Commission will not impose an impossible burden on the company, which would seriously affect its continued ability to bid, “Our hope,” he said, “is that the Commission will recognize the inequity of such action, and instead agree to waive the penalty for these types of obvious errors.”



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FAX TRANSMISSION COVER SHEET

DATE: January 25, 1996

CODE: 558

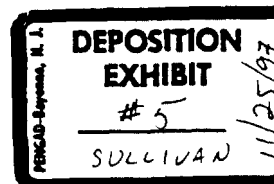
To: Javier Lamoso, Fred Martinez, FAX No.: 1-415-349-8150
Terry Easton, & Quentin Breen

FROM: Mike Sullivan

RE: Redraft of waiver request. It is very important that we file as soon as possible in order to (a) reassure the FCC and (b) meet press deadlines. Please call as soon as you have reviewed this and fax the executed declarations.

NUMBER OF PAGES: ___, INCLUDING THIS COVER SHEET.
PLEASE DELIVER TO ADDRESSEE IMMEDIATELY.

THIS FAX WAS SENT BY: ____



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January 26, 1996

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: PCS 2000, L.P.
Block C PCS Auction
Request for Expedited Waiver or Reduction of Withdrawal Penalty

Attention: Kathleen Ham
Chief, Auction Division
Wireless Telecommunications Bureau

Dear Mr. Caton:

On January 23, 1995, PCS 2000, L.P. ("PCS 2000") erroneously submitted a bid in the Block C PCS auction for Market B324 for a price ten times as high as it intended. It informed the Commission immediately upon discovering the error and withdrew the bid the next day. PCS 2000 now asks the Commission to waive its withdrawal penalty rule. Imposing a penalty *potentially as large as \$162 million* on PCS 2000, a small business owned and controlled by women and minorities, for an *innocent error* will both destroy the company's ability to continue its aggressive participation in the auction and chill the willingness of other small businesses and entrepreneurs to bid.

Accordingly, PCS 2000 requests, pursuant to Section 24.819(a)(1) of the Rules, a waiver of the bid withdrawal penalty imposed by Section 24.704(a)(1) of the Rules for PCS 2000's withdrawal of its erroneous high bid of \$180,060,000 for the Block C license in Market B324 in Round 11. In the alternative, PCS 2000 requests that the penalty be very substantially reduced. PCS 2000 respectfully requests that action be expedited so that a resolution is achieved while the auction is ongoing. Delaying action until after the close of the auction would adversely affect the outcome of the auction.